

# Budget 2003

*"Canada is a very prosperous country. But not all Canadians share in that prosperity. We may have tackled the fiscal deficit but we have not yet adequately addressed our social challenges."*

Deputy Prime Minister  
and Minister of Finance John Manley  
2003 budget speech

## Introduction

A budget is more than a simple accounting of finances. It is the expression of a nation's values and priorities. It is a tool to protect and help build the kind of society Canadians value. It also recognizes that a secure society is the foundation for a strong economy.

Budget 2003 makes major investments in health care, families and communities, the needs of First Nations peoples and Canada's cultural programs and institutions.

## Strengthening Health Care

No social policy is more cherished or more vital to the quality of life of all Canadians than our publicly funded health care system. The federal government is committed to ensuring that future generations will have access to universal quality care—based on need, not the ability to pay.

## Improving Access— The 2003 Health Care Accord

The 2003 Health Care Accord agreed to by the Prime Minister and Canada's first ministers on February 5 will improve access to the health care system, enhance accountability for how health dollars are spent and ensure the system is sustainable. Budget 2003 confirms \$34.8 billion in increased federal funding over five years to meet the goals outlined in the Accord, including:

- \$9.5 billion in increased cash transfers to the provinces and territories over the next five years;
- a five-year, \$16-billion Health Reform Fund for provinces and territories to target primary health care, home care and catastrophic drug coverage;
- an immediate investment of \$2.5 billion through a Canada Health and Social Transfer supplement to relieve existing pressures;
- a new Canada Health Transfer by April 1, 2004, to enhance transparency and accountability;
- a \$1.5-billion Diagnostic/Medical Equipment Fund to improve access to publicly funded diagnostic services;
- an additional \$600 million to accelerate the development of secure electronic patient records, which are vital to quality care and patient safety; and
- \$500 million for research hospitals through the Canada Foundation for Innovation.

The federal government is also investing in a number of other key areas:

- \$1.6 billion over five years to support direct Health Accord initiatives, including:
  - a six-week compassionate care leave benefit under employment insurance to care for a gravely ill or dying parent, child or spouse;
  - sales tax measures supporting health care reform;
  - national strategies for patient safety, technology assessment and immunization; and
  - funding for the Canadian Institute for Health Information and a national Health Council to support governance and enhanced accountability.
- \$1.4 billion over five years for other reform initiatives, including:
  - health-related research and innovation;
  - pharmaceuticals management; and
  - human resources planning and services in official languages minority communities; and
- \$1.3 billion over five years to support health programs for First Nations.

The Accord sets out a new accountability framework that includes clear objectives and a commitment to achieving goals based on comparable indicators of health system performance. Annual reporting to Canadians will be facilitated by a new Health Council made up of representatives of both orders of government, experts and the public. Their work will help Canadians assess health system performance and implementation of the Accord.

Building the Society  
Canadians Value

February 18, 2003



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*"With this budget, we are making long-term investments to help working families with children break through the welfare wall and take control of their future."*

Deputy Prime Minister  
and Minister Finance John Manley  
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## Investing in Canadian Families and Their Communities

Families and communities are the foundation of our society. This budget will help build the society we value by investing in the needs of the most vulnerable, by supporting communities, by strengthening Aboriginal communities and by promoting Canadian culture.

### Supporting Canadian Families

Budget 2003 makes long-term investments in support of families with children and persons with disabilities, including:

- increases in annual assistance for children in low-income families through the Canada Child Tax Benefit to \$10 billion by 2007—benefits increasing to \$3,243 for the first child, \$3,016 for the second and \$3,020 for each additional child, more than double the level of support in 1996;
- \$900 million over five years to assist provinces and territories to increase access to quality child care and early learning opportunities, and \$35 million over five years for similar programs for First Nations children, primarily on reserve;

- a new Child Disability Benefit of \$1,600 for low- and modest-income Canadian families; and
- \$80 million per year to improve tax assistance for persons with disabilities, beginning in 2004-05 and drawing on an evaluation of the disability tax credit and expert advice.

### Supporting Communities

This budget makes investments to increase support for Canada's communities, including:

- \$320 million over five years to enhance existing affordable housing agreements with the provinces and territories;
- \$256 million over two years to extend the government's housing renovation program;
- a three-year extension of the Supporting Communities Partnership Initiative at \$135 million per year to combat homelessness; and
- an additional \$3 billion in infrastructure support over the next ten years, including \$1 billion for municipal infrastructure.

### Strengthening Aboriginal Communities

This budget makes strategic investments to strengthen Aboriginal communities and improve their economic opportunities, including:

- \$600 million over five years to upgrade, maintain and monitor water and wastewater systems on First Nations reserves;
- \$42 million over two years for the First Nations Policing Program;

- \$17 million over two years to help better meet the needs of Aboriginal people living in urban centres;
- \$72 million in the next two years to improve educational outcomes for Aboriginal people and ensure they are provided with training and employment opportunities on major projects;
- \$172.5 million over 11 years to support the creation and operation of a new Aboriginal Languages and Cultures Centre under the stewardship of Aboriginal people; and
- \$20 million over the next two years for Aboriginal Business Canada to expand its support for business development and entrepreneurship.

### Promoting Canadian Culture and Values

The Government will invest in measures to strengthen and promote Canadian culture and values, including:

- \$150 million over two years for the Canadian Television Fund to support the production of quality Canadian programming;
- \$114.5 million in the next two years to launch a five-year action plan on official languages; and
- a contribution program of \$10 million a year to promote private sector preservation of historic places.

## How Can I Get More Information on Budget 2003?

Information is available on the Internet at [www.fin.gc.ca](http://www.fin.gc.ca).

You can also obtain copies of this brochure and other budget documents from the:

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Department of Finance Canada  
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*Ce document est également offert  
en français.*